

2. THE SITE AND ITS CONTEXT

REGIONAL AND CITY CONTEXT

Milpitas is situated within the larger South San Francisco Bay Area or Silicon Valley region. Known throughout the world as the home of high technology innovation and research, Silicon Valley has grown tremendously over the past 50 years beyond its original roots in Palo Alto to include nearly 2 million people living and working in Santa Clara County, and portions of San Mateo, Alameda and Santa Cruz Counties. Located between San Jose and Fremont, Milpitas is situated adjacent to the “Golden Triangle” of San Jose, an area slated for high technology job growth. Over the next 20 years, the San Jose and Milpitas subarea of Silicon Valley is projected to capture 67% of the region’s job growth.¹

Within this larger setting, Milpitas is a relatively new community that has experienced tremendous growth since its inception in 1954. Over the past 30 years, the population growth rate has been steady at 2% to 3% annually, resulting in a doubling of the population from 26,561 persons in 1970 to 62,698 in 2000, based on year 200 Census data. Today, the city limits include some 13.6 square-miles of land area. Unlike many older communities in the Bay Area, Milpitas contains a strong complement of employment and retail uses as well as housing. There are approximately 1,770 acres² or 2.9 square-miles in the city limits designated for industrial uses. Another estimated

350 acres of land are dedicated to regional and community retail centers supporting some 3.5 million square-feet of commercial shops.³

Within Milpitas, the Midtown Area includes the original commercial and industrial core of the community, primarily commercial and industrial uses along the Main and Abel Street corridors. The area is surrounded by more recent residential and research and development (R&D) office/industrial uses.

HISTORICAL OVERVIEW

The current range of land uses in the Midtown Area is reflective of its historical growth patterns. From the beginning, Midtown has always been an important regional “crossroads” due to its geographical location. Businesses that catered to travelers and thrive along heavily-traveled routes were established in the area. As early as 1855, settlers in the Calaveras Valley petitioned for a county road across the flats to Alviso. The resulting intersection—where the Alviso Road crossed Mission Road—encouraged the development of Milpitas. Businesses that catered to travelers (saloons, restaurants, blacksmiths, service stations, and hotels) and those that supplied the local population (general stores, meat markets, lumber yards) developed near the intersection of Alviso–Milpitas Road (Serra Way) and San Jose–Oakland Road (Main Street). Clustered around this nucleus of commercial and service buildings were the homes of the merchants, railway employees, and working members of the community. In the latter part of the 19th century, Milpitas emerged as a marketing center for



Figure 2.1: Project Location

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farmers widely scattered along the plain and the hills. The Southern Pacific Railroad ran a line from Stockton to San Jose reaching Milpitas in 1869, which led to the initiation of new commercial enterprises and consolidation of Milpitas' position as an important shipping point of the rapidly growing valley. In the 1920s, construction of the San Jose branch of the Western Pacific Railroad gave the community access to a second rail line. Up until the early 1950s, orchards and farms dotted the Milpitas landscape.

Milpitas as a whole experienced periods of rapid expansion beginning in the 1950s, and more recently, in the 1990s. In 1953, the Ford Motor Company began constructing an assembly plant south of downtown in a strip between the two railroad tracks, and the town was incorporated in the following year. Over the next two decades, Milpitas experienced such a rapid population growth, at a rate of 38% each year, that many considered it a "boom town" and it was one of the fastest growing areas in Santa Clara County. The county itself was generally recognized as one of the fastest growing areas in the state and the nation. At the time of incorporation, Milpitas covered an area of 2.9 square-miles with a population of 825. By 1964, 10 years after incorporation, the city covered an area of approximately 8.7 square-miles with a population of 16,000. Milpitas is now a vital part of Silicon Valley and a thriving community with a population of 64,000 and an area of 13.6 square-miles (City of Milpitas, 1999).

Midtown has also historically been an area with a diverse population. In the 1950s, Ford created

Sunnyhills, a new neighborhood where the majority of the residents were racial or ethnic minorities. Today, Milpitas is comprised of a very diverse population, where no single racial/ethnic group is a majority. In the Midtown Area, this is reflected in the diverse range of businesses and houses of worship.

PROPERTY OWNERSHIP

Property ownership patterns in the Midtown Area are complex. Overall, there are approximately 384 parcels owned by 220 individuals, agencies and associations. Overall patterns include small lot patterns in the older portion of Main Street (between Weller Street and Curtis Avenue) to larger parcels south of Great Mall Parkway and Montague. Very large single ownerships include Santa Clara County's Elmwood Rehabilitation Center (110 acres), and Union Pacific Corporation (118.2 acres). Several public agencies own property in the area, including Santa Clara County (Elmwood Rehabilitation Center and other parcels), the City (Senior Center, Fire Station and others), the City and County of San Francisco (Hetch Hetchy right-of-way), and the Santa Clara Valley Water District (SCVWD) (creek channels). Collectively, these ownerships total 162 acres.

TRANSPORTATION CONTEXT

Midtown has excellent regional access to I-880 and I-680 via state route 237 and Tasman/Great Mall Parkway/Montague Expressway interchanges. The area is also served by Calaveras Boulevard and Montague Expressway, an important regional thoroughfare that is maintained and



Aerial View of Midtown Milpitas, 1958

operated by Santa Clara County. Main and Abel Streets, which form the center of the Midtown Area, are important north–south arterials. There are limited east–west corridors in the area, due to the two railroad lines, which cause circuitous travel patterns. Midtown is located in an area which experiences significant peak hour congestion. Congestion on I-880 causes through traffic to be diverted to key roadways in the Midtown Area, including Main and Abel Streets.

Milpitas Midtown is assuming a role as an emerging transit hub. It will be served by Tasman East LRT line as well as BART (discussed below), and is served by 14 VTA bus routes over-

all. North Main Street is a point of connection between the VTA and Alameda–Contra Costa (AC) Transit systems.

In Midtown, there are bike lanes in place on Great Mall Parkway between I-880 and Montague Expressway; on Main Street between Weller and Montague Expressway; and along McCandless Avenue between Great Mall Parkway and Montague Expressway. Sidewalks exist throughout much of the Midtown Area, but deficiencies exist along portions of Abel Street, Serra Way and Great Mall Parkway. There are also discontinuous or substandard pedestrian facilities on some streets.



Tasman East LRT Project

TASMAN EAST LIGHT RAIL EXTENSION AND FUTURE BART EXTENSION

The VTA is constructing a 4.8-mile LRT extension from North First Street to Hostetter Road. Once completed, this extension will link Milpitas to downtown San Jose and Mountain View via the Tasman East and Guadalupe LRT lines. The Tasman East LRT line will include three Milpitas stations: I-880/Milpitas, and both the Great Mall/Main Street and the Montague Stations which are within the Midtown Area. The Great Mall/Main Street Station will include a park and ride lot with 145 parking spaces. The Tasman East LRT line alignment generally runs along the median of Tasman Drive and Great Mall Parkway, and will be elevated for approximately 7,200 feet to provide separation from the

two railroad lines and the Montague Expressway. Both stations in Midtown are located along the elevated segment of the line. The first phase of construction of the Tasman East LRT line (Baypointe to I-880/Milpitas Station) is currently underway and service opened in Spring 2001. The second phase of construction (including the Great Mall/Main Street and Montague Stations) is projected to open in Spring 2004.⁶

In November 2000 voters in Santa Clara County voted to extend BART from Fremont to San Jose. This future extension would traverse Midtown along the eastern Union Pacific Railroad right-of-way, and provide one station at Capitol Avenue and Montague Expressway, and another in the vicinity of North Main Street.

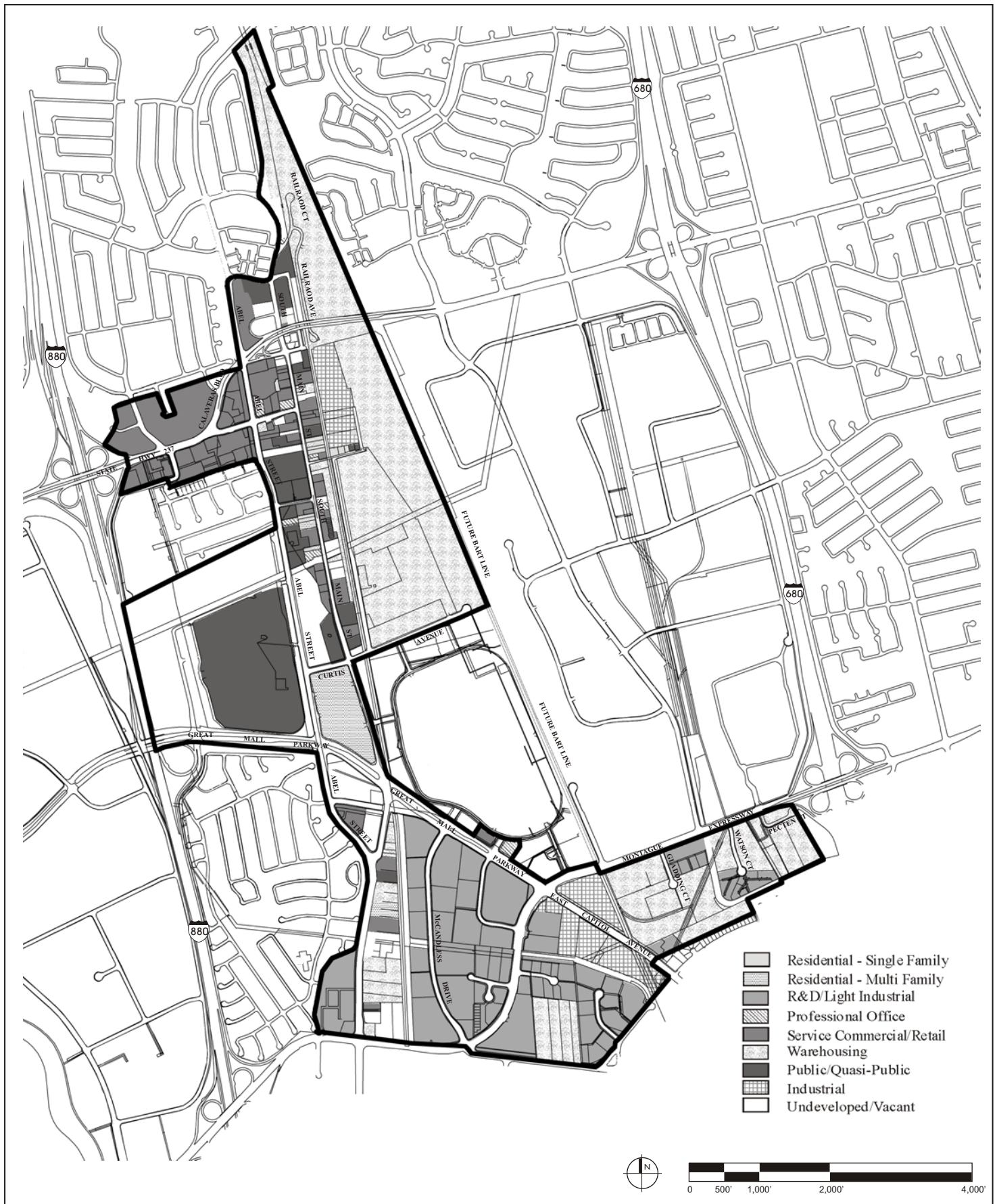


Figure 2.2: Existing Land Use

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Existing Land Use

The Midtown Area is composed of approximately 942 acres of land near the western limits of Milpitas, generally bounded by the Union Pacific Railroad lines on the east and north; Abel Street and Elmwood Rehabilitation Center on the west; and the city limits to the south (see Figure 2.2—Existing Land Use). The area is surrounded by residential neighborhoods at the north; commercial retail and R&D industrial parks to the east; and the Pines and Summerfield residential neighborhoods and I-880, to the west. Land south of the area in San Jose is composed of residential and R&D centers.

As a whole, the dominant uses in the Midtown Area include service commercial uses, such as automobile services, building materials and storage yards and facilities (21%) and R&D/industrial uses (15%). Collectively these uses account for over one-third (36%) of the Midtown Area. The area has a large complement of public and quasi-public uses, including publicly-owned facilities (13%), such as Elmwood Rehabilitation Center, but also privately-owned public service uses such as places of assembly, a YMCA, and childcare businesses. Transportation-related land uses, including railroad rights-of-way, and railroad sidings and streets, account for another 205 acres or approximately 20% of the Midtown Area. A large percentage of the area, 87 acres, or 8%, includes vacant sites or sites that have existing buildings or uses, but appear likely to be developed in the future with a higher or more intensive use. Uses that account for a relatively small share of the area include residential (single-

family homes, apartments and mobile home parks) (4%), industrial (auto wrecking and truck yards) (6%) and professional offices (medical and professional) (1%). Existing land uses are summarized in Table 2-1 and depicted in Figure 2-2.

Overall, land uses along the Main/Abel Streets corridor are mixed, including retail, residential, public/semi-public uses, professional offices and service commercial businesses. Main Street is unusual in that it contains a great number of public and semi-public uses. Particularly noteworthy are the eight churches, representing a tremendous diversity of faiths and cultures, which are located along the street. Uses along South Main Street below Great Mall Parkway are dominated by automobile-related services, but this area is mixed

TABLE 2.1
Summary of Existing Land Use

Land Use	Acres	Percent of Total Use
Service Commercial	195.2	21
R&D/Light Industrial	141.8	15
Public/Quasi-Public	123.4	13
Residential	60.8	6
Industrial	67.4	7
Retail	39.5	4
Professional Office	8.4	1
Undeveloped/Vacant	101.9	11
Subtotal	738.4	78
Railroad Rights-of-Way and Sidings	41.6	4
Streets	162.9	17
Total	942.9	100

Notes: Railroad rights-of-way and sidings estimated by interpretation of aerial photos. Streets estimated by subtraction.

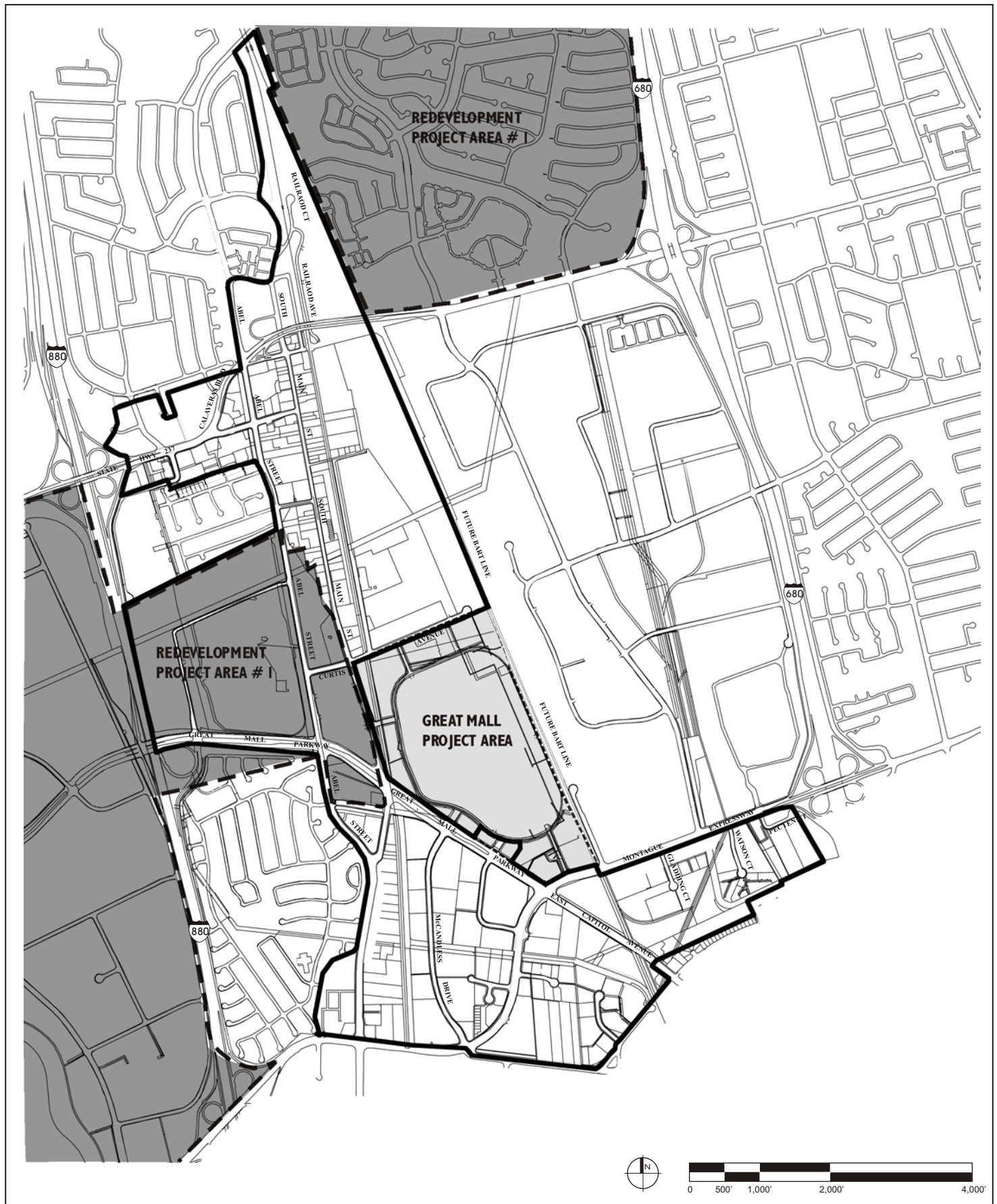


Figure 2.3: Redevelopment Areas

as well. There is a motel, a trailer park, restaurants and a childcare center along this length of the street.

Beyond Main Street, other portions of the Midtown Area tend to be more homogeneous in terms of land use. Retail uses are concentrated along the Calaveras Boulevard corridor; R&D/industrial, storage and industrial uses are concentrated in the area south of Great Mall Parkway and along Montague Expressway; and industrial uses dominate within the triangular land area created between the two railroad lines and Curtis Avenue and Sinnott Lane.

REDEVELOPMENT AREAS

Portions of Milpitas Midtown fall within two existing redevelopment areas, as shown in Figure 2.3. These are described below.

The Great Mall Project Area (1993)

The Great Mall Project Area was established in 1993, and consists of approximately 140 acres of land which comprise the Great Mall (including what is now the Parc Metropolitan housing development). The redevelopment plan incorporates the City's General Plan land use designation of General Commercial for the site and sets forth a specific list of off-site capital projects to be implemented in the area to improve circulation.⁴ Because this redevelopment area consisted of a single property owner, the redevelopment plan was originally implemented through an Owner Participation Agreement (OPA) between Ford Motor Land Development Corporation and the City. As land in the Great Mall project area

has sold, the OPA has been made binding on all successive owners. The portion of the Midtown Area located in the redevelopment area includes two small parcels flanking Mustang Drive (Assessor Parcel Numbers (APNs) 86-24-043 and 86-24-045).

Redevelopment Project Area Number 1 (1976)

Project Area Number 1 was established in 1976 to address the poor performance of the area due to flooding problems and inadequate public facilities, and was amended in 1979 and 1981 to include additional land area. The objectives of the redevelopment plan were to correct flood control hazards and traffic circulation and control inadequacies, and to encourage development of commercial and light industrial reuses of property within the area. Land uses anticipated for the area include: office buildings, R&D, warehousing, manufacturing, restoration and revitalization of existing architecturally significant buildings and structures.⁵ The portion of the Midtown Area located within Project Area Number 1 includes the Elmwood site and properties in the vicinity.

MARKET TRENDS

A market analysis was undertaken to provide a basis for subsequent land use and development recommendations for the area. The economy of the Bay Area represents one of the strongest regional economies in the country. Employment growth in the past few years has generated significant demand for new housing. With median home prices in Santa Clara County ranging from

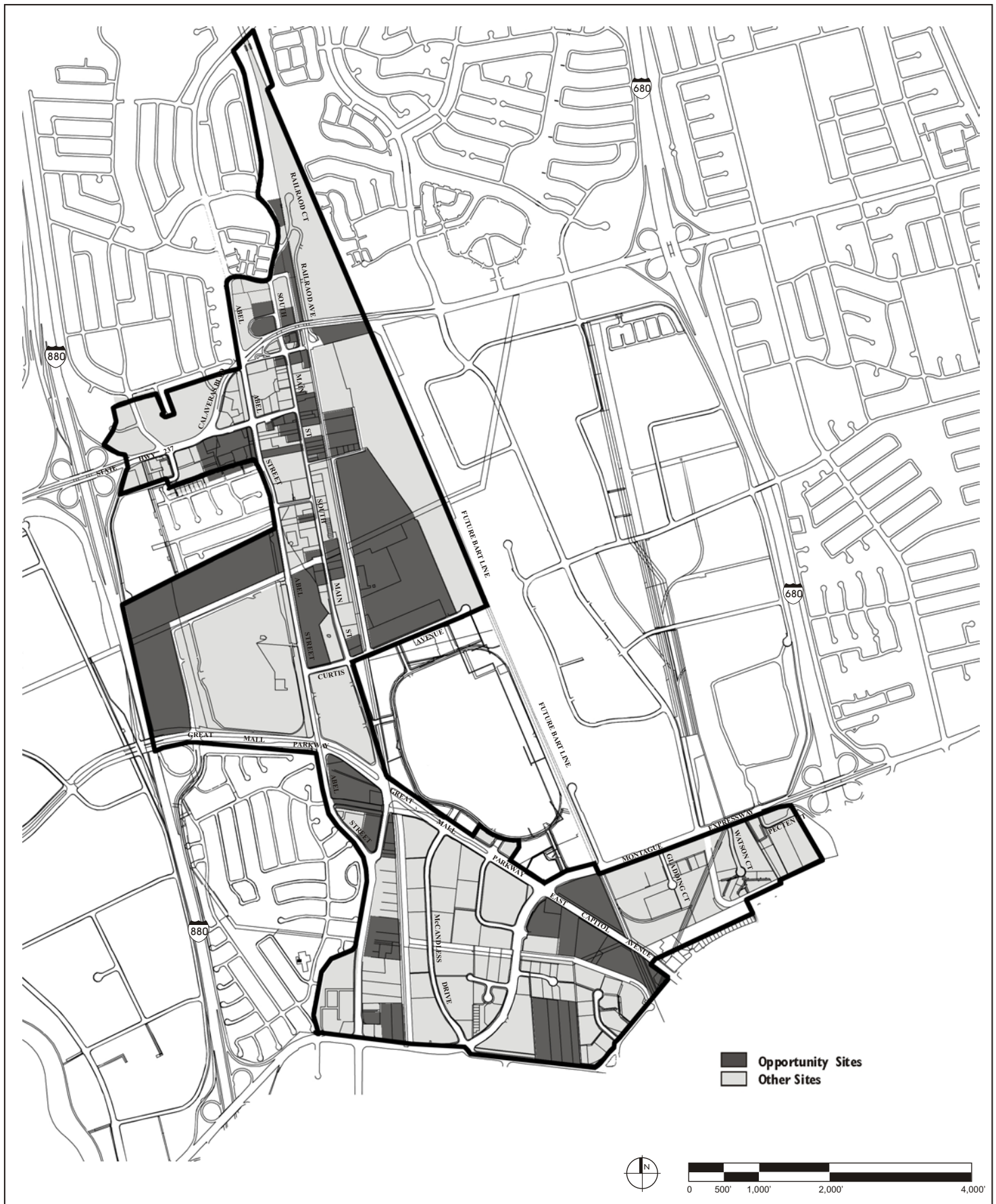


Figure 2.4: Opportunity Sites

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a high of \$3,395,000 in Los Altos Hills to low of \$449,000 in Gilroy, Milpitas represents one of the more affordable alternatives in the county with median home prices at \$449,950 (California Association of Realtors, March 2001). The housing shortage in the Bay Area, the strategic location of Milpitas within Silicon Valley, and the more affordable housing alternatives within the city position Milpitas well for further residential development.

Milpitas is home to two large regional shopping centers in the area, the Great Mall and McCarthy Ranch. These centers have contributed to Milpitas becoming a net attractor of retail sales. With these large regional malls and several community and neighborhood shopping centers nearby, the Midtown Area lies in an intensely competitive shopping environment. With 2.0 million square-feet of regional shopping facilities and 1.2 million square-feet of convenience shopping facilities in the area and roughly 2,500 (est.) people living in Milpitas Midtown (Montevista and Parc Metropolitan), new retail development along Main Street will not likely occur unless fueled by new housing development.

The strong economy of Silicon Valley has driven up occupancy rates at hotels in Milpitas with many hotels being fully occupied during the work week. Local hotels, however, lack large conference and meeting facilities, sending meeting planners to facilities in nearby San Jose or Fremont. With the healthy state of hotels in the area and the robust economy, there appears to be market support in Milpitas for a hotel with greater conference/meeting facilities.

Milpitas has a strong presence in the Silicon Valley R&D and warehouse markets, and a smaller presence in the industrial market. Meanwhile, the city has a limited presence in the office market. With the smaller land assemblies that are available in the Midtown Area, however, these uses are not expected to be a major influential factor.

OPPORTUNITY SITES

There are a number of opportunity sites located within the Midtown Area equating to approximately 250 acres of land. Opportunity sites are those that are either vacant or have existing buildings or uses that would be expected to be developed in the future with a higher or more intense use. Opportunity sites are shown in Figure 2.4.

- 1 Greenbelt Alliance and Silicon Valley Manufacturing Group, Housing Solutions for Silicon Valley: Housing Solutions Report. 1999.
- 2 City of Milpitas Planning Department. April 2000.
- 3 Retail acreage and square footage based on EDAW estimates. February 2000.
- 4 City of Milpitas Redevelopment Agency, Redevelopment Plan for the Great Mall Redevelopment Project. Adopted by Ordinance 192.8. November 1993.
- 5 City of Milpitas. Resolution No. 21, June 1979 (adopting amendment No. 1); Resolution No. 35, April 1981 (adopting amendment No. 2).
- 6 Estimated project area population is 2,525 based on 756 housing units and an average household size of 3.34 persons.

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